

### OVERT ACTS

1. On or about July 30, 1993, ESTHER DELPINO did tell a State Investigator who was acting in an undercover capacity, "Let's say if they give me the three hundred dollars for you, that means you gonna have a case. If I don't help you out, they won't have no case. They are losing. I don't want that. I want everybody to be happy. I am in the middle, you know, I'm the middle woman."
2. On or about December 2, 1993, at the City of Passaic, in the County of Passaic, ESTHER DELPINO did tell a State Investigator who was acting in an undercover capacity, "Even if the insurance calls you, say no, I was here, you were here three times a week, then twice a week, then once a week at the end."
3. On or about December 15, 1993, in the City of Passaic, in the County of Passaic, ESTHER DELPINO did state in Spanish to a State Investigator acting in an undercover capacity "if there's no doctor, there's no case."
4. On or about August 18, 1994, at the City of

Passaic, in the County of Passaic, ESTHER DELPINO did pay \$500 in cash to a State Investigator who was acting in an undercover capacity.

6. On or about August 18, 1994, at the City of Passaic in the County of Passaic, ESTHER DELPINO did state in Spanish to a State Investigator who was acting in an undercover capacity, "We will help him have a good case. Alright. Directly, I cannot tell him because then he won't come. I need for him to come but the little that he comes, I will help him more. So that's a help that he will have and it will result to a good case, you'll see."

All in violation of N.J.S.A. 2C:5-2, and against the peace of this State, the government and dignity of the same.

COUNT TWO

(Theft by Deception - Second Degree)

ESTHER DELPINO

between on or about January 1, 1993, and on or about July 31, 1996, at the City of Passaic, in the County of Passaic, elsewhere, and within the jurisdiction of this Court, did on behalf of Lexington Chiropractic Center, purposely attempt to obtain the property of another in excess of \$75,000 by deception, that is, the said ESTHER DELPINO did attempt to obtain monies in the approximate amount of \$342,000 and did purposely obtain monies in the approximate amount of \$245,000 from various insurance carriers, to wit: AIG Claim Services, Inc., Allstate Insurance Company, AMGRO, C.N.A. Insurance Companies, Colonial Penn Insurance Company, Continental Insurance Companies, First Trenton Indemnity Company, General Accident Insurance Company, Hanover Insurance Company, Hertz Claim Management Corp., Liberty Mutual Insurance Company, Market Transition Facility, Material Damage Adjustment, Motor Club of America Insurance Company, National Consumer Insurance Company, Ohio Casualty Group, Preferred Dealer Insurance, Progressive Compensation, Prudential Property and Casualty Insurance Company, St. Paul Fire and Marine Insurance Company, State Farm Insurance Companies, USAA Casualty

Insurance Company, United States Fidelity and Guaranty Company, and Warner Insurance Services, Inc., hereinafter the "carriers," by creating or reinforcing the false impression that all of the chiropractic treatments described in the health insurance claims forms and treatment notes submitted to the carriers for payment had been rendered, and that Lexington Chiropractic Center therefore was entitled to compensation for the said treatments,

WHEREAS, IN TRUTH AND IN FACT, as the said ESTHER DELPINO, well knew, Lexington Chiropractic Center did not render all of the said chiropractic treatments described in the health insurance claims forms and treatment notes submitted to the carriers for payment, and therefore was not entitled to compensation for the treatments that were not rendered, contrary to the provisions of N.J.S.A. 2C:20-4, N.J.S.A. 2C:5-1 and N.J.S.A. 2C:2-6, and against the peace of this State, the government and dignity of the same.

COUNT THREE

(Falsifying Records - Fourth Degree)

ESTHER DELPINO

between on or about December 2, 1993, and on or about February 23, 1994, at the City of Passaic, in the County of Passaic, elsewhere, and within the jurisdiction of this Court, with the purpose to deceive another, did falsify or utter a writing or record knowing that it contained false statements or information; that is, the said ESTHER DELPINO did falsify or utter health insurance claim forms dated February 23, 1994, which pertained to the treatment of a Jose Sanchez at Lexington Chiropractic Center in regard to claim number 38M10506, knowing that it contained false information, with the purpose to deceive Prudential Insurance Company, contrary to the provisions of N.J.S.A. 2C:21-4a, N.J.S.A. 2C:2-6, and against the peace of this State, the government and dignity of the same.

COUNT FOUR

(Falsifying Records - Fourth Degree)

ESTHER DELPINO

between on or about April 29, 1994, and on or about May 27, 1994, at the City of Passaic, in the County of Passaic, elsewhere, and within the jurisdiction of this Court, with the purpose to deceive another, did falsify or utter a writing or record knowing that it contained false statements or information; that is, the said ESTHER DELPINO did falsify or utter health insurance claim forms dated May 27, 1994, which pertained to the treatment of a Evelyn Aguilar at Lexington Chiropractic Center in regard to claim number 38M18920, knowing that it contained false information, with the purpose to deceive Prudential Insurance Company, contrary to the provisions of N.J.S.A. 2C:21-4a, N.J.S.A. 2C:2-6, and against the peace of this State, the government and dignity of the same.

COUNT FIVE

(Falsifying Records - Fourth Degree)

ESTHER DELPINO

between on or about December 2, 1994, and on or about December 22, 1994, at the City of Passaic, in the County of Passaic, elsewhere, and within the jurisdiction of this Court, with the purpose to deceive another, did falsify or utter a writing or record knowing that it contained false statements or information; that is, the said ESTHER DELPINO did falsify or utter health insurance claim forms dated December 22, 1994, which pertained to the treatment of a Brian Harris at Lexington Chiropractic Center in regard to claim number 02190778, knowing that it contained false information, with the purpose to deceive Hanover Insurance Company, contrary to the provisions of N.J.S.A. 2C:21-4a, N.J.S.A. 2C:2-6, and against the peace of this State, the government and dignity of the same.

COUNT SIX

(Falsifying Medical Records - Fourth Degree)

ESTHER DELPINO

between on or about December 2, 1993, and on or about February 23, 1994, at the City of Passaic, in the County of Passaic, elsewhere, and within the jurisdiction of this Court, purposely did destroy, alter, or falsify a record relating to the care of a medical, surgical, or podiatric patient in order to deceive or mislead a person as to information concerning the patient, that is, the said ESTHER DELPINO purposely did alter or falsify chiropractic treatment notes relating to one Jose Sanchez, a medical patient at Lexington Chiropractic Center, in order to deceive or mislead Prudential Insurance Company as to the treatments rendered to the said Jose Sanchez at Lexington Chiropractic Center, contrary to the provisions of N.J.S.A. 2C:21-4.1, N.J.S.A. 2C:2-6, and against the peace of this State, the government and dignity of the same.



COUNT SEVEN

(Falsifying Medical Records - Fourth Degree)

ESTHER DELPINO

between on or about April 29, 1994, and on or about May 27, 1994, at the City of Passaic, in the County of Passaic, elsewhere, and within the jurisdiction of this Court, purposely did destroy, alter, or falsify a record relating to the care of a medical, surgical, or podiatric patient in order to deceive or mislead a person as to information concerning the patient, that is, the said ESTHER DELPINO purposely did alter or falsify chiropractic treatment notes relating to one Evilyn Aguilar, a medical patient at Lexington Chiropractic Center, in order to deceive or mislead Prudential Insurance Company as to the treatments rendered to the said Evilyn Aguilar at Lexington Chiropractic Center, contrary to the provisions of N.J.S.A. 2C:21-4.1, N.J.S.A. 2C:2-6, and against the peace of this State, the government and dignity of the same.

COUNT EIGHT

(Falsifying Medical Records - Fourth Degree)

ESTHER DELPINO

between on or about December 2, 1994, and on or about December 22, 1994, at the City of Passaic, in the County of Passaic, elsewhere, and within the jurisdiction of this Court, purposely did destroy, alter, or falsify a record relating to the care of a medical, surgical, or podiatric patient in order to deceive or mislead a person as to information concerning the patient, that is, the said ESTHER DELPINO purposely did alter or falsify chiropractic treatment notes relating to one Brian Harris, a medical patient at Lexington Chiropractic Center, in order to deceive or mislead Hanover Insurance Company as to the treatments rendered to the said Brian Harris at Lexington Chiropractic Center, contrary to the provisions of N.J.S.A. 2C:21-4.1,

N.J.S.A., 2C:2-6, and against the peace of this State, the government and dignity of the same.

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Paul H. Zoubek, Director  
Division of Criminal Justice

A TRUE BILL:

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, Foreperson

Dated: \_\_\_\_\_

# STAR LEDGER

December 28, 1998

## Ex-insurance agent faces contempt counts

**ELIZABETH:** An insurance agent barred from practicing in New Jersey is facing contempt charges after state authorities found blank insurance cards on him last month, officials said yesterday.

Hani Elias of Fairfield appeared in Superior Court for arraignment on charges of contempt for violating a court order barring him from engaging in any type of insurance business, Assistant Attorney General Edward Neafsey said.

Elias had his insurance license revoked six years ago, but that did not prevent him from continuing to do business in North Jersey, primarily in Essex and Union counties, authorities said.

In August, Elias was fined \$1.1 million in a civil matter for selling bogus car insurance policies.

He was ordered to pay \$27,789 in restitution. The latest charge could subject him to additional civil fines as well as criminal prosecution, Neafsey said.

**State v. Hani K. Elias**

## **State prosecuting insurance agent**

**FAIRFIELD:** A Fairfield insurance agent barred from practicing in New Jersey was indicted by a state grand jury on accusations he sold bogus automobile insurance policies, primarily in Essex and Union counties, authorities said yesterday.

In a 15-count indictment, Hani Elias, 53, was charged with theft by deception, falsifying records and with criminal contempt for violating a previous court order barring him engaging in any further insurance business, Attorney General Peter Verniero said.

Elias had his insurance license revoked seven years ago after he was charged with violating state insurance regulations under a previous court order, which also led to a \$1.1 million judgment against him. He also was ordered to pay \$27,789 in restitution, which he has yet to pay, authorities said.

**State v. Hani K. Elias**

## COUNTY &amp; REGION

Wednesday, February 24, 1999

## STATE

**Man indicted for selling fake car insurance papers**

TRENTON (AP) — Motorists interested in getting a break on car insurance are again finding bargains through an Essex County man, state prosecutors said yesterday.

The problem, though, is that the insurance certificates provided by Hani Elias are fake, and sometimes do not even use the name of an actual insurance company, according to Assistant Attorney General Edward M. Neafsey.

He said Elias charged up to \$500 for the bogus document, about half the cost of an actual policy in New Jersey, which boasts the highest average rate of any state.

The cards looked legitimate, and could fool an officer who pulled over a driver with them, said Neafsey, the state's insurance fraud prosecutor.

A state grand jury in Trenton yesterday handed up a 15-count indictment against Elias, which included charges of theft, falsifying records, forgery, criminal contempt and simulating a vehicle insurance card.

Elias, 53, had already been under court order to stop such activity, following a lawsuit filed last year by the state Department of Banking and Insurance and Division of Consumer Affairs.

The court also ordered him to pay \$1.1 million as a penalty, finding he also pocketed premiums and backdated policies when claims were filed, Neafsey said.

**State v. Hani K. Elias**



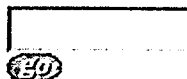
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## State v. Hani K. Elias

**NewsFlash**  
 WHAT'S HAPPENING NOW

**REGIONAL**  
 THE FULL STORY

# Prosecutors say Essex County man again peddling fake car insurance papers

By JEFFREY GOLD  
 The Associated Press  
 02/23/99 8:46 PM Eastern

TRENTON, N.J. (AP) -- Motorists interested in getting a break on car insurance are again finding bargains through an Essex County man, state prosecutors said Tuesday.

The problem, though, is that the insurance certificates provided by Hani Elias are fake, and sometimes do not even use the name of an actual insurance company, according to Assistant Attorney General Edward M. Neafsey.

He said Elias charged up to \$500 for the bogus document, about half the cost of an actual policy in New Jersey, which boasts the highest average rate of any state.

The cards looked legitimate, and could fool an officer who pulled over a driver with them, said Neafsey, the state's insurance fraud prosecutor.

A state grand jury in Trenton on Tuesday handed up a 15-count indictment against Elias, which included charges of theft, falsifying records, forgery, criminal contempt and simulating a vehicle insurance card.

Elias, 53, had already been under court order to stop such activity, following a lawsuit filed last year by the state Department of Banking and Insurance and Division of Consumer Affairs.

The court also ordered him to pay \$1.1 million as a penalty, finding he also pocketed premiums and backdated policies when claims were filed, Neafsey said.

Reached Tuesday at his Fairfield home, Elias denied the fresh allegations.

"That's what they are saying, but it's not true," Elias said. "I'm not selling these papers."

As for the civil judgment, Elias said authorities plan to seize his house in partial satisfaction of the order.

His license as an insurance broker was revoked in 1994, but authorities said that did not stop him.

"We had a tip that he was back," Neafsey said.

If convicted on all counts, Elias faces up to 4½ years in prison and \$25,000 in fines. The case will be heard in state Superior Court for Union County in Elizabeth, the city where Elias operates.

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comments to [newsflash@nj.com](mailto:newsflash@nj.com).

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SUPERIOR COURT OF NEW JERSEY  
LAW DIVISION - CRIMINAL

State Grand Jury

Number SGJ

Superior Court

Docket Number \_\_\_\_\_

STATE OF NEW JERSEY )

v. )

INDICTMENT

HANI K. ELIAS )

The Grand Jurors of and for the State of New Jersey,  
upon their oaths, present that:

COUNT ONE

(Falsifying Records - Fourth Degree)

HANI K. ELIAS

on or about January 16, 1998, at the City of Elizabeth, in the  
County of Union, elsewhere, and within the jurisdiction of this  
Court, did falsify or utter a writing or record knowing that it  
contained false statements or information, with the purpose to  
deceive another or to conceal a wrongdoing; that is, the said HANI  
K. ELIAS did falsify a Colonial Penn Insurance Company automobile  
insurance identification card made out to Shawn Lewis, who was a  
State Investigator acting in an undercover capacity, by backdating

the insurance identification card to January 12, 1998, or by placing a fictitious policy number on it, or did utter a Colonial Penn Insurance Company automobile insurance identification card purporting to represent a valid automobile insurance policy, knowing the insurance identification card contained false information, with the purpose to deceive the Township of Irvington, or to conceal "Shawn Lewis'" driving without automobile insurance, contrary to the provisions of N.J.S.A. 2C:21-4a, and against the peace of this State, the government and dignity of the same.

COUNT TWO

(Forgery - Fourth Degree)

HANI K. ELIAS

on or about January 16, 1998, at the City of Elizabeth, in the County of Union, elsewhere, and within the jurisdiction of this Court, with purpose to defraud or injure another or with knowledge that he was facilitating a fraud or injury to be perpetrated by another, did make, complete, execute, authenticate, issue or utter a writing so that it purported to be the act of another who did not authorize that act; that is, the said HANI K. ELIAS, without authorization of the Colonial Penn Insurance Company, did make, complete, execute, authenticate, issue or utter a backdated Colonial Penn Insurance Company automobile insurance identification card purporting to represent a valid insurance policy, with purpose to defraud Irvington Township, or with the knowledge that he was facilitating a fraud to be perpetrated upon Irvington Township by Shawn Lewis, who was a State Investigator acting in an undercover capacity, contrary to the provisions of N.J.S.A. 2C:21-1a, and against the peace of the State, the government and dignity of the same.

COUNT THREE

(Fabricating Physical Evidence - Fourth Degree)

HANI K. ELIAS

on or about January 16, 1998, at the City of Elizabeth, in the County of Union, elsewhere, and within the jurisdiction of this Court, believing that an official proceeding or investigation was pending or about to be instituted, did make, devise, prepare, present or offer a document with purpose to mislead a public servant who was engaged in such proceeding or investigation; that is, the said HANI K. ELIAS, believing that a court proceeding was pending or about to be instituted in the Irvington Municipal Court, did make, devise or prepare an automobile insurance identification card, or did present or offer the automobile insurance identification card to Shawn Lewis, who was a State Investigator acting in an undercover capacity, with purpose to mislead one or more public servants engaged in the Irvington Municipal Court proceedings, contrary to the provisions of N.J.S.A. 2C:28-6(2), and against the peace of this State, the government and dignity of the same.

COUNT FOUR

(Criminal Contempt - Fourth Degree)

HANI K. ELIAS

on or about October 28, 1998, at the City of Elizabeth, in the County of Union, elsewhere, and within the jurisdiction of this Court, did purposely or knowingly disobey a judicial order, to wit: the August 14, 1998, Order of the Honorable John M. Boyle, Presiding Judge of Union County Superior Court, Chancery Division, by possessing an automobile insurance identification card that did not relate back to a vehicle he operated and owned, namely, an automobile insurance identification card bearing the name of Wilson Giles as the insured, contrary to the provisions of N.J.S.A. 2C:29-9a, and against the peace of this State, the government and dignity of the same.

COUNT FIVE

(Attempted Tampering with Physical Evidence - Fourth Degree)

HANI K. ELIAS

on or about October 28, 1998, at the City of Elizabeth, in the County of Union, elsewhere, and within the jurisdiction of this Court, believing that an official proceeding or investigation was pending or about to be instituted, did attempt to destroy a document, with the purpose to impair its availability in such proceeding or investigation; that is, the said HANI K. ELIAS, believing an investigation into his insurance related activities was pending or about to be instituted, did attempt to destroy an automobile insurance identification card bearing the name of Wilson Giles, with purpose to impair its availability in such investigation, contrary to the provisions of N.J.S.A. 2C:28-6(1) and N.J.S.A. 2C:5-1, and against the peace of this State, the government and dignity of the same.

COUNT SIX

(Theft by Deception - Third Degree)

HANI K. ELIAS

on or about September 10, 1998, at the City of Orange, in the County of Essex, elsewhere, and within the jurisdiction of this Court, did purposely obtain the property of another by deception in the amount of \$500 or more; that is, the said HANI K. ELIAS did purposely obtain property in the amount of \$1,500 from Japhet Ngila by deception, by creating or reinforcing a false impression that the said Japhet Ngila was purchasing a legitimate automobile insurance policy;

WHEREAS, IN TRUTH AND IN FACT, as the said HANI K. ELIAS then and there well knew, Japhet Ngila was not purchasing a legitimate automobile insurance policy, contrary to the provisions of N.J.S.A. 2C:20-4, and against the peace of this State, the government and dignity of the same.

COUNT SEVEN

(Simulating a Motor Vehicle Insurance  
Identification Card - Fourth Degree)

HANI K. ELIAS

on or about September 10, 1998, at the City of Orange, in the  
County of Essex, elsewhere, and within the jurisdiction of this  
Court, knowingly did sell to Japhet Ngila, a printed form or  
document which simulated a motor vehicle insurance identification  
card, contrary to the provisions of N.J.S.A. 2C:21-2.1a, and  
against the peace of this State, the government and dignity of the  
same.



COUNT EIGHT

(Criminal Contempt - Fourth Degree)

HANI K. ELIAS

on or about September 10, 1998, at the City of Orange, in the County of Essex, elsewhere, and within the jurisdiction of this Court, did purposely or knowingly disobey a judicial order, to wit: the August 14, 1998, Order of the Honorable John M. Boyle, Presiding Judge of Union County Superior Court, Chancery Division, by possessing an automobile insurance identification card that did not relate back to a vehicle he operated or owned, namely, an automobile insurance identification card bearing the name Japhet Ngila as the insured, contrary to the provisions of N.J.S.A. 2C:29-9a, and against the peace of this State, the government and dignity of the same.

COUNT NINE

(Criminal Contempt - Fourth Degree)

HANI K. ELIAS

on or about December 1, 1998, at the City of Elizabeth, in the County of Union, elsewhere, and within the jurisdiction of this Court, did purposely or knowingly disobey a judicial order, to wit: the August 14, 1998, Order of the Honorable John M. Boyle, Presiding Judge of Union County Superior Court, Chancery Division, by possessing on his person two automobile insurance identification cards that did not relate back to a vehicle he operated or owned, namely, one automobile insurance identification card bearing the name of Nereyda Roca as the insured, and one automobile insurance identification card bearing the name of Noemi Salvia as the insured, contrary to the provisions of N.J.S.A. 2C:29-9a, and against the peace of this State, the government and dignity of the same.

COUNT TEN

(Criminal Contempt - Fourth Degree)

HANI K. ELIAS

on or about December 1, 1998, at the City of Elizabeth, in the County of Union, elsewhere, and within the jurisdiction of this Court, did purposely or knowingly disobey a judicial order, to wit: the August 14, 1998, Order of the Honorable John M. Boyle, Presiding Judge of Union County Superior Court, Chancery Division, by being in a location where insurance activity takes place, namely, his office at "Elias and Sons" store, or by having in his possession in his office, seven automobile insurance identification cards that did not relate back to a vehicle he operated or owned, namely, one automobile insurance identification card bearing the name of Kevin A. Smith as the insured, and six blank automobile insurance identification cards, contrary to the provisions of N.J.S.A. 2C:29-9a, and against the peace of this State, the government and dignity of the same.

COUNT ELEVEN

(Criminal Contempt - Fourth Degree)

HANI K. ELIAS

on or about December 1, 1998, at the City of Elizabeth, in the County of Union, elsewhere, and within the jurisdiction of this Court, did purposely or knowingly disobey a judicial order, to wit: the August 14, 1998, Order of the Honorable John M. Boyle, Presiding Judge of Union County Superior Court, Chancery Division, by having in his possession in his 1994 Chevrolet Caprice, an automobile insurance identification card that did not relate back to a vehicle he operated or owned, namely, a temporary automobile insurance identification card bearing the name of Obeah Charles as the insured, contrary to the provisions of N.J.S.A. 2C:29-9a, and against the peace of this State, the government and dignity of the same.

COUNT TWELVE

(Simulating a Motor Vehicle Insurance  
Identification Card - Fourth Degree)

HANI K. ELIAS

between on or about July 1, 1998, and on or about July 15, 1998,  
at the City of East Orange, in the County of Essex, elsewhere, and  
within the jurisdiction of this Court, knowingly did sell to  
Velino Joasil a printed form or document which simulated a motor  
vehicle insurance identification card, contrary to the provisions  
of N.J.S.A. 2C:21-2.1a, and against the peace of this State, the  
government and dignity of the same.

COUNT THIRTEEN

(Criminal Contempt - Fourth Degree)

HANI K. ELIAS

between on or about July 1, 1998, and on or about July 15, 1998, at the City of East Orange, in the County of Essex, elsewhere, and within the jurisdiction of this Court, did purposely or knowingly disobey a judicial order to wit: the March 14, 1998, Order of the Honorable John M. Boyle, Presiding Judge of Union County Superior Court, Chancery Division, by possessing an automobile insurance identification card that did not relate back to a vehicle he operated or owned, namely, an automobile insurance identification card bearing the name Velino Joasil as the insured, contrary to the provisions of N.J.S.A. 2C:29-9a, and against the peace of this State, the government and dignity of the same.

COUNT FOURTEEN

(Simulating a Motor Vehicle Insurance  
Identification Card - Fourth Degree)

HANI K. ELIAS

between on or about September 1, 1998, and on or about  
September 30, 1998, at the City of East Orange, in the County of  
Essex, elsewhere, and within the jurisdiction of this Court,  
knowingly did sell to Velino Joasil a printed form or document  
which simulated a motor vehicle insurance identification card,  
contrary to the provisions of N.J.S.A. 2C:21-2.1a, and against the  
peace of this State, the government and dignity of the same.

COUNT FIFTEEN

(Criminal Contempt - Fourth Degree)

HANI K. ELIAS

between on or about September 1, 1998, and on or about September 30, 1998, at the City of East Orange, in the County of Essex, elsewhere, and within the jurisdiction of this Court, did purposely or knowingly disobey a judicial order to wit: the August 14, 1998, Order of the Honorable John M. Boyle, Presiding Judge of Union County Superior Court, Chancery Division, by possessing an automobile insurance identification card that did not relate back to a vehicle he operated or owned, namely, an automobile insurance identification card bearing the name Velino Joasil as the insured, contrary to the provisions of N.J.S.A.



2C:29-9a, and against the peace of this State, the government and  
dignity of the same.

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Paul H. Zoubek, Director  
Division of Criminal Justice

A TRUE BILL:

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Foreperson

Dated: \_\_\_\_\_

SUPERIOR COURT OF NEW JERSEY  
LAW DIVISION - CRIMINAL

State Grand Jury

Number SGJ

Superior Court

Docket Number \_\_\_\_\_

STATE OF NEW JERSEY )

v. )

INDICTMENT

ARTHUR JOHNSON )

The Grand Jurors of and for the State of New Jersey,  
upon their oaths, present that:

COUNT ONE

(Theft by Deception - Third Degree)

ARTHUR JOHNSON

between on or about June 14, 1992, and on or about August 25, 1994, at the City of Newark, and at the City of East Orange, in the County of Essex, elsewhere, and within the jurisdiction of this Court, purposely did obtain the property of another by deception in an amount in excess of \$500 but less than \$75,000, that is, the said ARTHUR JOHNSON, a Metropolitan Life Insurance Account Representative, purposely did obtain benefits in the amount of \$52,163.00 from the Metropolitan Life Insurance Company, and/or Sharonda Turner, by creating or reinforcing the false impression to Sharonda Turner, that the Metropolitan Life Insurance policy issued to Samad Turner had lapsed, the benefits of which were to have been payable to Sharonda Turner, as beneficiary, pursuant to the terms of the policy, while simultaneously creating or reinforcing the false impression to Metropolitan Life that Sharonda Turner actually was receiving

said benefits.

WHEREAS, IN TRUTH AND IN FACT, as the said ARTHUR JOHNSON well knew, the said life insurance policy had not lapsed, and the said Arthur Johnson actually was receiving said benefits to which Sharonda Turner was entitled, contrary to the provisions of N.J.S.A. 2C:20-4, and against the peace of this State, the government and dignity of the same.

COUNT TWO

(Forgery-Fourth Degree)

ARTHUR JOHNSON

on or about August 24, 1994, at the City of Newark, in the County of Essex, elsewhere, and within the jurisdiction of this Court, with the purpose to defraud or injure Sharonda Turner or the Metropolitan Life Insurance Company, did utter or cause to be uttered to the First Fidelity Bank, a Metropolitan Life Insurance check in the amount of \$909.60, bearing thereon a signature purporting to be the signature of Sharonda Turner, who did not authorize that act, the said ARTHUR JOHNSON knowing the check to be forged, contrary to the provisions of N.J.S.A. 2C:21-1a(3), and against the peace of this State, the government and dignity of the same.

COUNT THREE

(Forgery-Fourth Degree)

ARTHUR JOHNSON

on or about August 15, 1995, at the City of Newark, in the County of Essex, elsewhere, and within the jurisdiction of this Court, with the purpose to defraud or injure Sharonda Turner or the Metropolitan Life Insurance Company, did utter or cause to be uttered to the Metropolitan Life Insurance Company, a cash receipt in the amount of \$15,000, dated June 7, 1993, bearing thereon a signature purporting to be the signature of Sharonda Turner, who did not authorize that act, the said ARTHUR JOHNSON knowing the receipt to be forged, contrary to the provisions of N.J.S.A. 2C:21-1a(3), and against the peace of this State, the government and dignity of the same.

COUNT FOUR

(Forgery-Fourth Degree)

ARTHUR JOHNSON

on or about August 15, 1995, at the City of Newark, in the County of Essex, elsewhere, and within the jurisdiction of this Court, with the purpose to defraud or injure Sharonda Turner or the Metropolitan Life Insurance Company, did utter or cause to be uttered to the Metropolitan Life Insurance Company, a cash receipt in the amount of \$15,000, dated June 29, 1993, bearing thereon a signature purporting to be the signature of Sharonda Turner, who did not authorize that act, the said ARTHUR JOHNSON knowing the receipt to be forged, contrary to the provisions of N.J.S.A. 2C:21-1a(3), and against the peace of this State, the government and dignity of the same.

COUNT FIVE

(Forgery-Fourth Degree)

ARTHUR JOHNSON

on or about August 15, 1995, at the City of Newark, in the County of Essex, elsewhere, and within the jurisdiction of this Court, with the purpose to defraud or injure Sharonda Turner or the Metropolitan Life Insurance Company, did utter or cause to be uttered to the Metropolitan Life Insurance Company, a cash receipt in the amount of \$13,000, dated July 20, 1993, bearing thereon a signature purporting to be the signature of Sharonda Turner, who did not authorize that act, the said ARTHUR JOHNSON knowing the receipt to be forged, contrary to the provisions of N.J.S.A. 2C:21-1a(3), and against the peace of this State, the government and dignity of the same.

\_\_\_\_\_  
Paul H. Zoubek, Director  
Division of Criminal Justice

A TRUE BILL:

\_\_\_\_\_  
Foreperson

Dated:\_\_\_\_\_

## Ex-insurance agent indicted in client theft

TRENTON — A Hamilton man who formerly worked as an insurance agent was indicted yesterday on charges he stole more than \$140,000 from a client over four years, state Attorney General Peter Verniero said yesterday.

Steven M. Usarzewicz, 34, of Gary Drive, Hamilton, was indicted on one count each of theft by failure to make required disposition and misapplication of entrusted property, authorities said.

"Betraying the trust of a client is an unacceptable act," Verniero said. "Anyone who is charged with engaging in fraud will be held to the highest standards of the law."

Between Nov. 26, 1990, and Nov. 11, 1994, Usarzewicz allegedly misappropriated \$141,375 from trust funds and insurance policies for a client's children, authorities said. The victim, identified in the indictment as Elizabeth Crawford, discovered the alleged theft and alerted authorities.

At the time of the alleged theft, Usarzewicz was an insurance agent affiliated with Guardian Life Insurance Co. of America and a securities dealer with Guardian Investor Services Corp., according to the indictment.

Usarzewicz has since lost his insurance license, authorities said.

**State v. Steven Usarzewicz**



SUPERIOR COURT OF NEW JERSEY  
LAW DIVISION - CRIMINAL

State Grand Jury

Number SGJ

Superior Court

Docket Number \_\_\_\_\_

STATE OF NEW JERSEY )

v. )

INDICTMENT

STEVEN M. USARZEWICZ )

The Grand Jurors of and for the State of New Jersey,  
upon their oaths, present that:

COUNT ONE

(Theft by Failure to Make Required Disposition - Second Degree)

STEVEN M. USARZEWICZ

between on or about November 26, 1990, and on or about  
November 11, 1994, at the City of Trenton and the Township of  
Princeton, both in the County of Mercer, elsewhere, and within  
the jurisdiction of this Court, purposely did obtain or retain  
property having a value of \$75,000 or more upon agreement or  
subject to a known legal obligation to make specified payment or  
other disposition and did deal with the property as his own and  
did fail to make the required payment or disposition, that is,  
the said STEVEN M. USARZEWICZ, an insurance producer formerly  
licensed in the State of New Jersey, purposely did obtain or

retain money in the approximate amount of \$141,375 from Elizabeth B. Crawford, upon agreement or subject to a known legal obligation to use the said \$141,375 for the benefit of the beneficiaries of Elizabeth B. Crawford, and did deal with the said \$141,375 as his own, and did fail to use it for the benefit of the beneficiaries of Elizabeth B. Crawford, contrary to the provisions of N.J.S.A. 2C:20-9, and against the peace of this State, the government and dignity of the same.

COUNT TWO

(Misapplication of Entrusted Property - Second Degree)

STEVEN M. USARZEWICZ

between on or about November 26, 1990, and on or about November 11, 1994, at the City of Trenton and the Township of Princeton, both in the County of Mercer, elsewhere, and within the jurisdiction of this Court, did knowingly apply or dispose of property in an amount in excess of \$75,000, that had been entrusted to him as a fiduciary, in a manner that he knew to be unlawful and that involved a substantial risk of loss or detriment to a person for whose benefit the property was entrusted, that is, STEVEN M. USARZEWICZ, an insurance producer formerly licensed in the State of New Jersey, did knowingly apply or dispose of money in the approximate amount of \$141,375 which had been entrusted to him to be used for the benefit of the beneficiaries of Elizabeth B. Crawford by using said monies for an unauthorized purpose which involved a substantial risk of loss or detriment to the beneficiaries of Elizabeth B. Crawford,

contrary to the provisions of N.J.S.A. 2C:21-15, and against the peace of this State, the government and dignity of the same.

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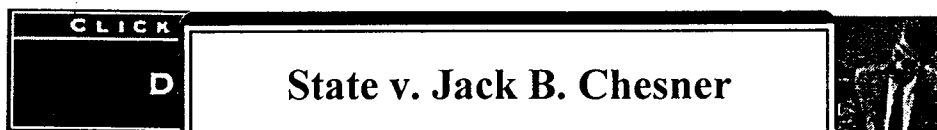
Paul H. Zoubek, Director  
Division of Criminal Justice

A TRUE BILL:

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Foreperson

Dated: \_\_\_\_\_



## Ex-cinema owner charged with fraud

Friday, January 22, 1999

By DAN KRAUT  
Staff Writer



- ▼ [Home Page](#)
- ▼ [Top Stories](#)
- ▼ [The Region](#)
- ▼ [Business](#)
- ▼ [The Wire](#)
- ▼ [Columnists](#)
- ▼ [Obituaries](#)
- ▼ [Education](#)
- ▼ [Campaign Central](#)



The owner of a defunct adult movie theater in Wayne was indicted Thursday on insurance fraud charges.

Jack Chesner allegedly purchased two insurance policies on the Ramapo Cinema just hours after it was rocked by an explosion on Jan. 28, 1994, according to state authorities. The indictment alleges that even though the property had just been destroyed, he claimed that it was worth \$100,000.

"The fact of the matter is the property was worthless at the moment," said state Insurance Fraud Prosecutor Edward M. Neafsey.

Chesner, who also made news in 1994 during his unsuccessful bid to open a pornography shop in Rochelle Park, allegedly tried to dupe two insurance companies by submitting checks that were dated before the explosion.

Details about the explosion are murky. It was initially suspected that a natural gas leak set the stage for the early-morning blast. But before the arson investigation was completed, the building was demolished, leaving unanswered questions, Neafsey said. He added that the blast apparently began in another store in Ramapo Plaza, at Valley Road and Hamburg Turnpike.

But insurance investigators became suspicious when a claim came just 10 months after the policy was purchased, and they referred the case to the state's Department of Insurance, according to Neafsey and the indictment.

Until 1998, penalties for insurance fraud were typically monetary, but prosecution of fraud was turned over last year to the state Attorney General's Office after complaints that white-collar criminals were getting off too easy.



"Let's just say with the new state mandate of vigorously pursuing all types of insurance fraud, this was one of the cases brought to my attention," Neafsey said.

The most serious of the eight charges in the indictment is attempted theft by deception, a second-degree offense carrying a maximum penalty of 10 years in prison. The case will be heard in state Superior Court in Elizabeth, because the policies allegedly were purchased in Union County, Neafsey said.


At the national Coalition Against Insurance Fraud, executive director Dennis Jay said there was a time when prosecutors were reluctant to take cases in which there was only an attempt at fraud.

"But if you don't prosecute the suspect," Jay said, "you're basically telling him, 'Hey, better luck next time.' "

According to the state, Chesner lives in Union and is now a retail sales and entertainment consultant.

Attempts to reach Chesner on Thursday were not successful.

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 <b>The Valley Hospital</b> Valley Health System	<b>NEED A PHYSICIAN?</b>
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# Home News Tribune

January 22, 1999

## Businessman indicted on insurance charge

### STAFF REPORT

A state grand jury sitting in Trenton yesterday indicted township resident Jack Chesner, charging him with insurance fraud, authorities said.

Chesner, the owner of the Chez Sez adult bookstore on Route 22 in the township, is charged with attempted theft by deception and records falsification, according to state Attorney General Peter G. Verniero.

If convicted of the first charge,

Chesner faces a maximum of 10 years in prison and a \$100,000 fine. The penalty for the lesser charge of falsification is 18 months in prison and a \$7,500 fine, authorities said.

According to Verniero, Chesner tried to collect on two insurance policies he purchased on a theater he owned in the Ramapo Plaza Mall in Wayne.

"The policies were purchased hours after the shopping center had been rocked by an explosion, making the insured properties valueless," Verniero said.

Assistant Attorney General and Insurance Fraud Prosecutor Edward Neafsey said Chesner gave Merchants Insurance Group and the Scottsdale Insurance Co. false information when he said his property was worth at least \$100,000.

Chesner backdated both down-payment checks to Jan. 25, 1994, the indictment said. The shopping center blew up Jan. 28, 1994.

Chesner has been issued a summons and is expected to make an initial court appearance within the next two weeks in state Superior Court, Elizabeth, authorities said.

**State v. Jack B. Chesner**

SUPERIOR COURT OF N.J.  
FILED

JAN 28 1999

DONALD E. PHELAN  
CLERK

SUPERIOR COURT OF NEW JERSEY  
LAW DIVISION - CRIMINAL

State Grand Jury

Number SGJ406-99-12-S

Superior Court

Docket Number

99 - 01 - 00015-S

STATE OF NEW JERSEY )

v. )

SUPERSEDING INDICTMENT

JACK B. CHESNER )

The Grand Jurors of and for the State of New Jersey,  
upon their oaths, present that:

COUNT ONE

(Attempted Theft by Deception - Second Degree)

JACK B. CHESNER

between on or about January 28, 1994, and on or about  
November 23, 1994, at the Township of Springfield, in the County  
of Union, elsewhere, and within the jurisdiction of this Court, -  
purposely did attempt to obtain the property of another by  
deception in the amount of \$75,000 or more; that is, the said  
JACK B. CHESNER, who at all times relevant hereto was the  
equitable owner of Fana Theater Corp. which operated the Ramapo  
Cinema, did purposely attempt to obtain property in the amount of  
\$75,000 or more from the Merchants Insurance Group by deception,  
by creating or reinforcing a false impression on the Merchants  
Insurance Group application or to George Pluhar, insurance broker  
for Americas Insurance Center, an authorized broker for Merchants



Insurance Group application or to George Pluhar, insurance broker for Americas Insurance Center, an authorized broker for Merchants Insurance Group, that the insured property, namely, the business property inside the Ramapo Cinema had a value of at least \$100,0000.

WHEREAS, IN TRUTH AND IN FACT, as the said JACK B. CHESNER then and there well knew, prior to binding an insurance policy with Merchants Insurance Group for his business property in the theater, the said property was not worth \$100,000, contrary to the provisions of N.J.S.A. 2C:20-4, and N.J.S.A. 2C:5-1 and against the peace of this State, the government and dignity of the same.

COUNT TWO

(Falsifying Records - Fourth Degree)

JACK B. CHESNER

on or about January 28, 1994, at the Township of Springfield, in the County of Union, elsewhere, and within the jurisdiction of this Court, did falsify or utter a writing or record knowing that it contained false statements or information, with the purpose to deceive Merchants Insurance Group; that is, the said JACK B. CHESNER did falsify a business owner's policy application of Merchants Insurance Group on the insured, Fana Theater Corp., t/a New Ramapo Amusements, dated January 28, 1994, by indicating that the insured property was valued at least \$100,000, knowing it contained false information or did utter said application, with the purpose to deceive Merchants Insurance Group, contrary to the provisions of N.J.S.A. 2C:21-4a, and against the peace of this State, the government and dignity of the same.